

Identification of the Area

Name or Designation: Central District; Rainier Valley; South First Hill (Madrona and Leschi), Beacon Hill; Mount Baker

Boundaries: Area 40 boundaries are East Spruce Street to the North; Lake Washington to the East; South Graham Street to the South; Interstate 5 to the West.

Maps: A general map of the area is included in this report. More detailed Assessor's maps are located on the 7th floor of the King County Administration Building.

Area Summary:

The northern portion of area 40 contains neighborhood 10 (Central District, Little Saigon), neighborhood 20 (Central District) and neighborhood 30 (Leschi, Judkins Park).

The Urban Village developments are within the location of 23rd and Jackson, 23rd and Union, and along the major arterial streets of 12th Avenue, 14th Avenue, Boren, Yesler Way, South Jackson Street, Rainier Avenue South, Martin Luther King Junior Way South, and South Dearborn Street. This area is heavily urbanized consisting of retail stores, small offices, churches, daycare, small private schools, franchise fast-food restaurants, multi-family apartments and condominiums. It is progressively transforming from an older declining area to a rehabilitated area, steadily changing in moderate pace, as incoming finance becomes more readily available to property owners.

A portion of the International District located East of Interstate 5 in area 40 is known as "Little Saigon". Interstate 5 and more subtle obstacles separate it from the neighborhood. Approximately fifty stores have opened in Little Saigon since the early 1980's

The Central District has strong neighborhood based action groups and in corporation with the City of Seattle they are in the process of revitalizing the community. Community development corporations are implementing development in accordance with their plans by private market activity in both housing and commercial sectors. The challenges ahead will include the ability to successfully implement urban village type development, job creation, housing and to capture a greater market share of resident's retail consumer spending. Revitalization and redevelopment strategies have been aiding in the reorganization of investment in community assets to increase local business development, employment opportunities and livability within the community.

Proposed new construction in the Central District includes two large office buildings with retail space and parking structures in the 1350 and 1400 block of South Dearborn. The first building includes 162,800 square feet of office space, 1,100 square feet of retail space and structured parking for 313 vehicles. The second building includes 179,800 square feet of office space, 500 square feet of retail space and structured parking for 352 vehicles. Four existing structures will be demolished.

Lowe Enterprises Northwest purchased the former Wonder Bread Bakery site in the Central District on south Jackson Street between 17th and 29th Avenue South. Lowe's proposed project will include apartments, condos, and office space with ground floor retail space. The Pratt Fine Arts Center purchased a full block from Lowe's where it will build a new art center more than twice its current size. Their plan is to build the Northwest's largest center for working studio artists funded by a \$2.1 million challenge grant from the Jon and Mary Shirley Foundation.

The southern portion of area 40 contains neighborhoods 40 (Beacon Hill, Rainier Valley), 50 (Beacon Hill, Mount Baker, Rainier Valley), 60 (Columbia City, Rainier Valley) and 70 (Rainier Beach).

Major business arterials in this area are Rainier Avenue South, North Beacon Avenue and Martin Luther King Junior Way. The commercial buildings located along Rainier Avenue South and Martin Luther King Junior Way primarily consist of retail, small offices, daycare, restaurants, franchise fast food, multi-family and apartments. The majority of Industrial zoned land is in the southwestern section near the southern city limits between Interstate 5 and Martin Luther King Junior Way. The Jefferson Park Golf Course is located west of Martin Luther King Junior Way. Lake Washington Boulevard is predominately residential with the recreational areas of Colman Park, Seward Park and Mount Baker Park located on the Lake Washington shores. The Puget Sound Veterans Administration Hospital is located off of Beacon Avenue South.

Commercial and industrial activities are predominately in the Valley neighborhoods including Rainier Avenue, Genesee Street, Martin Luther King Junior Way, Graham Street and Columbia City. All have undeveloped or underdeveloped land and offer potential for development. This area is slowly and progressively revitalizing its neighborhoods from a long period of decline to rebuilding and redevelopment. Siting for the new Beacon Hill Branch Library is in process.

Mapes Creek Walkway in Rainier Beach will be redesigned and in Columbia City redevelopment of Orca School Playground has started. In the North Rainier Valley the Department of Parks and Recreation is designing a pedestrian path along the shoulder of Cheasty Boulevard. The Jefferson Park Hill supporters hope an east-west trail will connect Beacon Avenue and 15th Avenue sides of the park.

Five light rail stations are planned with a proposed completion date in early 2006. These stations will be built in Rainier Valley along Martin Luther King Junior Way. A station at Edmonds Street will be next to the Seattle Housing Authority, Rainier Vista Housing complex providing opportunities to enhance the commercial and pedestrian-friendly character of the Columbia City neighborhood. The station at Henderson will accommodate a pedestrian walkway to Rainier Beach and opportunities to encourage additional market rate multi-family housing. The McAllen station will offer an opportunity to create a mixed-use neighborhood center and increase the retail and multi-family housing supply. Planners focused on condensing activity within walking distance of major transit stops, thus reducing vehicle traffic. Apartments mixed with single-family housing, restaurants, dry

cleaners, grocery stores and bank branches will be within a few blocks of each other. Such high-density living also provides a built-in transit ridership base. There is a moratorium in effect designed to prevent auto-oriented uses, new or expanded from taking place for the next year until station area planning is done.

Parcel Data Area 40:

Total approximate acres excluding specialty parcels in area 40: 800 acres

40	10	410
40	20	223
40	30	20
40	40	164
40	50	177
40	60	485
40	70	21
Total		1500

Total parcel count for area 40 excluding specialty parcels: 1,500 parcels

Physical Inspection Identification:

The neighborhood that was physically inspected for 2003 assessment year was 40-10 (Central District).

Scope of Data

Land Value Data:

There were 17 vacant land sales considered in Area 40 with sales dates from 1/1999 to 5/2001. Only two were 2001 sales. Sales information is obtained from excise tax affidavits and reviewed initially by the Accounting Division Sale Identification Section. Sales information is analyzed and investigated by the appraiser to determine if they are market transactions. These sales were given primary consideration for valuing land as of 1/1/2002 for taxes payable in 2003

Sales Analysis by Neighborhood

Area 40-10: Central District, Little Saigon

Sub Area 10 boundaries are Spruce to the North, 23rd Avenue South to the east, Interstate 90 to the South and Interstate 5 to the West. Eight market land sales from this neighborhood were analyzed and considered market sales. Seven of the sales occurred before the previous lien date of 1/1/2001. There are two L-3 multi-family zoned sales ranging from \$24.88 to \$32.47 a square foot. The Sale for \$32.47 sold 5-01. Some multi-family zoned land values were increased as indicated by these sales or to improve equalization. Sales zoned C-165 range in sales price from \$23.33 to \$60.56 a square foot. The sale zoned NC-140 sold for \$41.36 a square foot. The sale zoned NC-365 sold for \$55.00 a square foot. These sales currently support assessed value. The table below represents 2001, 2002 estimated land values and price per square foot of market sales in each zone.

40-10	C-140	\$25-30	\$25-30	
40-10	C-165	\$15-60	\$15-60	\$23.33 – 60.56
40-10	C-240	\$20	\$20	
40-10	C-265	\$25-45	\$25-45	
40-10	IC-65	\$18-55	\$18-55	
40-10	IDM-75/85	\$30-80	\$30-80	
40-10	IDM-100/120	\$80-90	\$80-90	
40-10	IDR-150	\$40-80	\$40-80	
40-10	L-1	\$5-50	\$5-50	
40-10	L-2	\$5-25	\$5-25	
40-10	L-3	\$15-25	\$17-30	\$24.88 - 32.47
40-10	L-4	\$25	\$25-30	
40-10	LDT	\$8-15	\$8-15	
40-10	MR	\$20-40	\$20-40	
40-10	NC-130	\$15-20	\$15-20	
40-10	NC-140	\$20-50	\$20-50	\$41.36
40-10	NC-240	\$15-25	\$15-25	
40-10	NC-340	\$20-30	\$20-30	
40-10	NC-365	\$20-65	\$20-65	\$55.00
40-10	SF-5000	\$10	\$15	

Area 40-20: Central District

Sub area 20 boundaries are Spruce Street to the north, 31st Avenue to the South to the East, Interstate 90 to the south and 23rd Avenue to the west. Two market land sales from this area were analyzed. These sales occurred before the previous lien date of 1/1/2001. The sale zoned L-2 sold for \$19.97 a square foot. The sale zoned L-3 sold for \$31.25 a square foot. Some values were increased as indicated by these sales or to improve equalization. The table below represents 2001, 2002 estimated land values and price per square foot of market sales in each zone.

40-20	C-140	\$10-30	\$10-30	
40-20	C-165	\$10-30	\$10-30	
40-20	C-240	\$15	\$15	
40-20	C-265	\$10-25	\$10-25	
40-20	L-1	\$10-15	\$10-15	
40-20	L-2	\$5-20	\$ 5-20	\$19.97
40-20	L-3	\$10-35	\$10-35	\$31.25
40-20	LDT	\$5-25	\$5-25	
40-20	NC-130 / NC-140	\$15-20	\$15-20	
40-20	NC-2/R30	\$10	\$10	
40-20	NC-2/R40	\$10-15	\$10-15	
40-20	NC-230	\$5-10	\$5-10	
40-20	NC-240	\$20-30	\$20-30	
40-20	NC-365	\$15-25	\$5-25	
40-20	SF-5000	\$8-10	\$10-15	

Areas 40-30: Leschi, Judkins Park

Sub Area 30 boundaries are Spruce Street to the North, Lake Washington to the to the East, Interstate 90 to the South and 31st Avenue South to the West. **There was insufficient market evidence to indicate a change in the land values in Area 40-30.** Land values in these neighborhoods remain relatively unchanged except for some adjustments to improve equalization. The table below represents 2001, 2002 estimated land values and price per square foot of market sales in each zone.

40-30	M10-105-L-3	\$5	\$5
40-30	NC-130	\$20	\$20
40-30	NC-140	\$15-20	\$15-20
40-30	L-1	\$10-25	\$10-25
40-30	L-2	\$10-15	\$10-15
40-30	L-3	\$5-20	\$5-20
40-30	SF-5000	\$10-16	\$10-16

Area 40-40: Beacon Hill

Sub Area 40 boundaries are Interstate 90 to the North, Valentine Place South & 20th Avenue South to the East, Graham Street to the South and Interstate 5 to the West. Two land sales from this area were analyzed. These market land sales occurred before the previous lien date of 1/1/2001. The sale NC130 sold for \$25.42 a square foot. The sale zoned L-2 sold for \$7.72 a square foot. Some values were increased as indicated by these sales to improve equalization. The table below represents 2001, 2002 estimated land values and price per square foot of market sales in each zone.

40-40	C-140	\$8-15	\$8-10
40-40	C-165	\$8-10	\$8-10
40-40	C-265	\$10-20	\$10-20
40-40	MR	\$5	\$5
40-40	NC-130	\$10-25	\$10-25 \$25.42
40-40	NC2-R40	\$10-35	\$10-35
40-40	NC-340	\$20	\$20
40-40	L-1	\$5-15	\$5-15
40-40	L-2	\$7-25	\$7-25 \$7.72
40-40	L-3	\$8-30	\$8-30
40-40	L-4RC	\$15	\$17
40-40	SF 5000	\$5-12	\$5-15

Areas 40-50: Mount Baker, Beacon Hill

Sub area 50 boundaries are Interstate 90 to the North, Lake Washington to the East, South Hanford Street & South Winthrop Street to the South, Valentine Place South and 20th Avenue South to the West. Five market land sales were analyzed. These sales occurred before the previous lien date of 1/1/2001. The commercial zoned sales range from \$11.90 to \$32.24 a square foot for C-140 zoned and \$16.67 to \$23.40 for C-165 zoned. These sales support the current assessed value. Some values were increased as indicated by these sales to improve equalization. The table below represents 2001, 2002 estimated land values and price per square foot of market sales in each zone.

40-50	C-140	\$10-30	\$10-30	\$11.90-32.24
40-50	C-165	\$10-30	\$10-30	\$16.67-23.40
40-50	C-265	\$10-25	\$10-25	
40-50	LTD	\$7-25	\$10-25	
40-50	NC-130	\$30-80	\$30-80	
40-50	NC-140	\$80-90	\$80-90	
40-50	NC-365	\$40-80	\$40-80	
40-50	L-1	\$7-10	\$7-10	
40-50	L-2	\$10-15	\$10-17	
40-50	L-3	\$10	\$17	
40-50	L-4	\$15-25	\$15-25	
40-50	SF-5000/7200	\$4-43	\$4-43	

Area 40-60: Rainier Valley, Columbia City

Sub area 60 boundaries are South Winthrop Street, South Hanford Street and South Charleston Street to the North, 43rd Avenue South, 47th Avenue South, and 48th Avenue South to the East, South Graham Street to the South, Cheasty Boulevard, and Beacon Avenue South to the West. Four market land sales were analyzed. Three of the sales occurred before the previous lien date of 1/1/2001. The commercial zoned NC2/R40 sales range from \$12.17 to \$20.20 a square foot. The multi-family zoned L-2 sale sold for \$18.18 a square foot. The L-4 zoned sale sold 2-2001 for \$17.47 a square foot. Some values were increased as indicated by these sales or to improve equalization. The table below represents 2001, 2002 estimated land values and price per square foot of market sales in each zone.

40-60	C-140	\$5-15	\$5-15
40-60	C-165	\$8-20	\$8-20
40-60	C-240	\$15	\$15
40-60	C-265	\$10-20	\$10-20
40-60	MR	\$19	\$19
40-60	LTD	\$5	\$5
40-60	NC-140	\$10-15	\$10-15
40-60	NC-230	\$5-10	\$10-15
40-60	NC-240	\$10-20	\$10-20 \$12.17 - 20.20
40-60	NC-340	\$15-20	\$15-20
40-60	NC-365	\$15-25	\$15-25
40-60	L-1	\$5-7	\$5-7
40-60	L-2	\$8-15	\$17 \$18.18
40-60	L-3	\$8-15	\$10-17
40-60	L-4	\$10-25	\$12-25 \$17.47
40-60	SF-5000	\$3-8	\$4-17

Area 40-70: Southeast Lake Washington neighborhood

Sub area 70 boundaries are Lake Washington to the North and East, Graham Street to the South, 43rd Avenue South, 47th Avenue and 48th Avenue South to the West. **There was insufficient market evidence to indicate a change in the land values in Area 40-70.**

Land values in these neighborhoods remain relatively unchanged except for some adjustments to improve equalization. The table below represents 2001, 2002 estimated land values and price per square foot of market sales in each zone.

40-70	NC-130	\$9-34	\$9-34
40-70	SF-5000/7200/9600	\$2-8	\$2-17

Land Value Conclusions, Recommendations and Validation:

Land values were estimated based on the Sales Comparison approach. Sales were analyzed based on zoning, size, location and development potential. Changes were made based on recent land sales and to achieve equalization in neighborhoods in accordance with zoning, size and location. In the absence of sales in a neighborhood, sales in other similar neighborhoods were considered. Appraiser judgement prevails in all decisions regarding individual parcel valuation. The appraiser determines which available value estimate may be appropriate and may adjust for particular characteristics and conditions as they occur in the valuation area.

Ratio Analysis

The total land assessed value for the 2001 assessment year for area 40 excluding specialty parcels was \$4,24,596,500 and the total land assessment value for the 2002 assessment year excluding specialty parcels is \$4,37,018,179. Application of these recommended values for the 2002 assessment year (taxes payable in 2003) results in a change from the 2001 assessments of plus 1.03%.

Vacant Sales Used

Area	Nbhd.	Major	Minor	Land Area	E #	Sale Price	Sale Date	SP / Ld. Area	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
040	010	000760	0206	3,696	1820113	\$120,000	05/25/01	\$32.47	VACANT LAND	L3	1	2	
040	010	060900	0030	73,650	1666880	\$1,900,000	02/09/99	\$25.80	VACANT LAND	C165'	8	2	INCLUDES 0035,0040,0050,0055,0080,0085
040	010	982670	1615	3,200	1746553	\$100,000	04/10/00	\$31.25	VACANT LAND	L-4	1	2	
040	010	331950	2145	9,968	1729384	\$248,000	12/27/99	\$24.88	VACANT LAND	L3	2	2	INCLUDES 331950-2150
040	010	332050	0080	6,000	1688188	\$140,000	05/20/99	\$23.33	VACANT LAND	IC65	1	2	
040	010	332050	0125	9,000	1669512	\$545,000	02/25/99	\$60.56	TEAR DOWN LAND SALE	IC65	1	2	
040	010	817010	0070	6,000	1719634	\$330,000	10/28/99	\$55.00	VACANT LOT	NC365'	1	2	
040	010	859190	0215	9,600	1677743	\$270,000	04/07/99	\$28.13	VACANT LAND	C165'	1	2	
040	020	125020	0470	4,800	1738941	\$95,000	02/28/00	\$19.79	VACANT LAND	L2	1	2	
040	040	754980	0395	18,191	1660575	\$462,500	01/05/99	\$25.42	VACANT LAND	NC130'	1	2	
040	050	149830	1995	12,000	1686110	\$200,000	05/17/99	\$16.67	VACANT LAND	C165'	1	2	
040	050	149830	2650	10,684	1735477	\$250,000	01/31/00	\$23.40	VACANT LAND	C165'	1	2	
040	050	149830	2870	10,080	1685301	\$120,000	05/12/99	\$11.90	VACANT LAND	C140	1	2	
040	060	170290	1623	9,900	1720303	\$200,000	11/04/99	\$20.20	TEAR DOWN LAND SALE	NC2/R40	2	2	INCLUDES 170290-1624
040	060	266050	0010	1,650	1698801	\$30,000	07/09/99	\$18.18	VACANT LAND	L2	1	2	
040	060	266050	0265	10,819	1804869	\$189,000	02/22/01	\$17.47	VACANT LAND	L-4	1	2	
040	060	795030	1825	6,573	1726829	\$80,000	12/13/99	\$12.17	VACANT LAND	NC2/R40	1	2	

Improved Parcel Total Values:

Sales comparison approach model description

There are 28 improved sales in area 40 that were considered fair market transactions. All sales were verified with a knowledgeable party when possible. Each sale was inspected and the recorded property characteristics adjusted when necessary. The resulting data was stratified according to predominant use, location, age and size in order to establish appropriate ranges of price per square foot of net rentable area to use as guidelines.

Regression

Regression was not used in the revalue of the commercial properties in this area. See report on apartments and condominiums for use of regression models.

Cost approach model description

In those areas where a cost approach was done the Marshall & Swift Commercial Estimator was used. Depreciation was also based on studies done by Marshall & Swift Valuation Service. The cost was adjusted to the western region and the Seattle area. Cost estimates were relied upon in almost every instance of exempt properties including schools, churches, and public buildings, government buildings, and served also as value indicators for new construction projects.

Cost calibration

The Marshall & Swift Valuation modeling system, which is built in the Real Property Application, is calibrated to the region and the Seattle area.

Income capitalization approach model description

The Income Approach was considered the most reliable approach to valuation in Area 40. Income parameters were derived from the market place through sales listed, as well as through market surveys and available publications. Stratification of these parameters or the various property types indicates:

Area 40-10:

Retail, Restaurant, Convenience Store, Daycare Center	\$9.00 to \$20.00	5% to 7%	10% to 15%	9.25% to 11%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$4.00 to \$12.00	5% to 7%	10% to 15%	9.25% to 11%
Office- Medical Office- Bank	\$15.00 to \$24.00	5% to 7%	\$7.50 to \$8.50 per sf (gross)	9% to 10.25%
Mezzanines-Office, Basement-Office Veterinary Hospital	\$9.00 to \$19.00	5% to 7%	10% to 15%	9.25% to 10.50%
Supermarket, Market, Discount Store, Whse (food, showroom, office)	\$5.00 to \$15.00	5% to 7%	10% to 15%	9.25% to 11.00%
Industrial, Manufacturing, Storage Whse	\$4.00 to \$11.00	5% to 6%	10% to 12%	9.50% to 11.00%
Loft, Industrial Flex	\$7.50 to \$13.00	5% to 6%	10% to 12%	9.50% to 11.00%
Garage Service Repair	\$6.00 to \$16.00	5% to 7%	10% to 15%	9.25% to 11.00%
Apartment	\$6.50 to \$16.50	5%	30% to 37%	8.50% to 9.75%
Group Home, Senior Housing	\$5.50 to \$15.50	5%	20% to 25%	9.50% to 11.50%

Area 40-20:

Retail, Restaurant, Convenience Store, Daycare Center	\$9.00 to \$20.00	5% to 7%	10% to 15%	9.25% to 11%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$4.00 to \$12.00	5% to 7%	10% to 15%	9.25% to 11%
Office- Medical Office- Bank	\$15.00 to \$24.00	5% to 7%	\$7.50 to \$8.50 per sf (gross)	9% to 10.25%
Mezzanines-Office, Basement-Office Veterinary Hospital	\$9.00 to \$19.00	5% to 7%	10% to 15%	9.25% to 10.50%
Supermarket, Market, Discount Store, Whse (food, showroom, office)	\$5.00 to \$15.00	5% to 7%	10% to 15%	9.25% to 11.00%
Industrial, Manufacturing, Storage Whse	\$4.00 to \$11.00	5% to 6%	10% to 12%	9.50% to 11.00%
Loft, Industrial Flex	\$7.50 to \$13.00	5% to 6%	10% to 12%	9.50% to 11.00%
Garage Service Repair	\$6.00 to \$16.00	5% to 7%	10% to 15%	9.25% to 11.00%
Apartment	\$6.50 to \$16.50	5%	30% to 37%	8.50% to 9.75%
Group Home, Senior Housing	\$5.50 to \$15.50	5%	20% to 25%	9.50% to 11.50%

Area 40-30:

Retail, Restaurant, Convenience Store, Daycare Center	\$9.00 to \$20.00	5% to 7%	10% to 15%	9.25% to 11%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$4.00 to \$12.00	5% to 7%	10% to 15%	9.25% to 11%
Office- Medical Office- Bank	\$15.00 to \$24.00	5% to 7%	\$7.50 to \$8.50 per sf (gross)	9% to 10.25%
Mezzanines-Office, Basement-Office Veterinary Hospital	\$9.00 to \$19.00	5% to 7%	10% to 15%	9.25% to 10.50%
Supermarket, Market, Discount Store, Whse (food, showroom, office)	\$5.00 to \$15.00	5% to 7%	10% to 15%	9.25% to 11.00%
Industrial, Manufacturing, Storage Whse	\$4.00 to \$11.00	5% to 6%	10% to 12%	9.50% to 11.00%
Loft, Industrial Flex	\$7.50 to \$13.00	5% to 6%	10% to 12%	9.50% to 11.00%
Garage Service Repair	\$6.00 to \$16.00	5% to 7%	10% to 15%	9.25% to 11.00%
Apartment	\$6.50 to \$16.50	5%	30% to 37%	8.50% to 9.75%
Group Home, Senior Housing	\$5.50 to \$15.50	5%	20% to 25%	9.50% to 11.50%

Area 40-40:

Retail, Restaurant, Convenience Store, Daycare Center	\$8.50 to \$19.50	5% to 7%	10% to 15%	9.25% to 11%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$3.50 to \$11.50	5% to 7%	10% to 15%	9.25% to 11%
Office- Medical Office- Bank	\$14.50 to \$23.50	5% to 7%	\$7.50 to \$8.50 per sf (gross)	9% to 10.25%
Mezzanines-Office, Basement-Office Veterinary Hospital	\$8.50 to \$18.50	5% to 7%	10% to 15%	9.25% to 10.50%
Supermarket, Market, Discount Store, Whse (food, showroom, office)	\$4.50 to \$14.50	5% to 7%	10% to 15%	9.25% to 11.00%
Industrial, Manufacturing, Storage Whse	\$3.50 to \$10.50	5% to 6%	10% to 12%	9.50% to 11.00%
Loft, Industrial Flex	\$7.00 to \$12.50	5% to 6%	10% to 12%	9.50% to 11.00%
Garage Service Repair	\$5.50 to \$15.50	5% to 7%	10% to 15%	9.25% to 11.00%
Apartment	\$5.50 to \$15.50	5%	30% to 37%	8.50% to 9.75%
Group Home, Senior Housing	\$5.00 to \$15.00	5%	20% to 25%	9.50% to 11.50%

Area 40-50:

Retail, Restaurant, Convenience Store, Daycare Center	\$8.50 to \$19.00	5% to 7%	10% to 15%	9.25% to 11%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$3.50 to \$11.50	5% to 7%	10% to 15%	9.25% to 11%
Office- Medical Office- Bank	\$14.50 to \$23.50	5% to 7%	\$7.50 to \$8.50 per sf (gross)	9% to 10.25%
Mezzanines-Office, Basement-Office Veterinary Hospital	\$8.50 to \$18.50	5% to 7%	10% to 15%	9.25% to 10.50%
Supermarket, Market, Discount Store, Whse (food, showroom, office)	\$4.50 to \$14.50	5% to 7%	10% to 15%	9.25% to 11.00%
Industrial, Manufacturing, Storage Whse	\$3.50 to \$10.50	5% to 6%	10% to 12%	9.50% to 11.00%
Loft, Industrial Flex	\$7.00 to \$12.50	5% to 6%	10% to 12%	9.50% to 11.00%
Garage Service Repair	\$5.50 to \$15.50	5% to 7%	10% to 15%	9.25% to 11.00%
Apartment	\$5.50 to \$15.50	5%	30% to 37%	8.50% to 9.75%
Group Home, Senior Housing	\$5.00 to \$15.00	5%	20% to 25%	9.50% to 11.50%

Area 40-60:

Retail, Restaurant, Convenience Store, Daycare Center	\$8.00 to \$19.50	5% to 7%	10% to 15%	9.25% to 11%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$3.00 to \$11.00	5% to 7%	10% to 15%	9.25% to 11%
Office- Medical Office- Bank	\$14.00 to \$23.00	5% to 7%	\$7.50 to \$8.50 per sf (gross)	9% to 10.25%
Mezzanines-Office, Basement-Office Veterinary Hospital	\$8.00 to \$18.00	5% to 7%	10% to 15%	9.25% to 10.50%
Supermarket, Market, Discount Store, Whse (food, showroom, office)	\$4.00 to \$14.00	5% to 7%	10% to 15%	9.25% to 11.00%
Industrial, Manufacturing, Storage Whse	\$3.00 to \$10.00	5% to 6%	10% to 12%	9.50% to 11.00%
Loft, Industrial Flex	\$6.50 to \$12.00	5% to 6%	10% to 12%	9.50% to 11.00%
Garage Service Repair	\$5.00 to \$15.00	5% to 7%	10% to 15%	9.25% to 11.00%
Apartment	\$5.00 to \$15.00	5%	30% to 37%	8.50% to 9.75%
Group Home, Senior Housing	\$4.00 to \$14.00	5%	20% to 25%	9.50% to 11.50%

Area 40-70:

Retail, Restaurant, Convenience Store, Daycare Center	\$8.00 to \$19.50	5% to 7%	10% to 15%	9.25% to 11%
Basement- (finished, display), Mezzanines, Balcony, Arcade, Cafeteria	\$3.00 to \$11.00	5% to 7%	10% to 15%	9.25% to 11%
Office- Medical Office- Bank	\$14.00 to \$23.00	5% to 7%	\$7.50 to \$8.50 per sf (gross)	9% to 10.25%
Mezzanines-Office, Basement-Office Veterinary Hospital	\$8.00 to \$18.00	5% to 7%	10% to 15%	9.25% to 10.50%
Supermarket, Market, Discount Store, Whse (food, showroom, office)	\$4.00 to \$14.00	5% to 7%	10% to 15%	9.25% to 11.00%
Industrial, Manufacturing, Storage Whse	\$3.00 to \$10.00	5% to 6%	10% to 12%	9.50% to 11.00%
Loft, Industrial Flex	\$6.50 to \$12.00	5% to 6%	10% to 12%	9.50% to 11.00%
Garage Service Repair	\$5.00 to \$15.00	5% to 7%	10% to 15%	9.25% to 11.00%
Apartment	\$5.00 to \$15.00	5%	30% to 37%	8.50% to 9.75%
Group Home, Senior Housing	\$4.00 to \$14.00	5%	20% to 25%	9.50% to 11.50%

See Assessor's Income Table Report for more detailed of economic rates and property type use.

Income approach calibration

The models were calibrated after setting base rents by using adjustments based on size, effective age, condition, quality of construction, and location.

Reconciliation and or validation study of calibrated value models including ratio study of hold out samples.

Market indicated large majority of Area 40 shows no change in value and only income adjustments were made to the values for uniformity and equalization of the area. Properties with renovation and remodel to existing structures have increased due to updated and modernization of the building which commanded higher values. Area 40's valuation method is predominately weighted by the income approach.

All parcels were individually reviewed by the area appraiser for correctness of the model application before a final value was selected. Each appraiser can adjust any or all of the factors used to establish value by the model. The market rents as established by the income model were used as a guide in establishing the market rental rates used. The market rental rates applied vary somewhat but falls within an acceptable range of variation from the established guideline. The Senior Appraisers reviewed final value selects before posting.

Model Validation

Total Value Conclusions, Recommendations and Validation:

Appraiser judgment prevails in all decisions regarding individual parcel valuation. Each parcel is field reviewed and a value selected based on general and specific data pertaining to the parcel, the neighborhood, and the market. The Appraiser determines which available value estimate may be appropriate and may adjust of particular characteristics and conditions as they occur in the valuation area.

The standard statistical measures of valuation performance are presented both in the Executive Summary and the 2001 and 2002 Ratio Analysis charts included in this report. The 2002 Ratio Study Analysis indicates that the statistical measure of mean assessment level went from 99.7% to 100%. This is well within the IAAO appraisal guidelines, while those measures for uniformity, and equity are all well within IAAO guidelines also. The Coefficient of Dispersion (COD) went from 9.13% to 7.61%, the Coefficient of Variation (COV) went from 12.83% to 9.73% and the Price-related Differential (PRD) went from 0.98% to .99%.

The Appraisal Team recommends application of the Appraiser selected values, as indicated by the appropriate model or method.

Application of these recommended values for the 2002 assessment year (taxes payable in 2003) results in an average total change from the 2001 assessments of +1.00%. This increase is due partly to upward market changes over time and the previous assessment levels. The total assessed value for the 2001 assessment year for the Area 40 was \$866,921,685 and the total recommended assessed value for the 2002 assessment year is \$873,115,794.

Note: More details and information regarding aspects of the valuations and the report are retained in the working files and folios kept in the appropriate district office.

2001 Ratio

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:																				
Central Crew	1/1/2001	4/17/2002	2/19/99 - 2/27/01																				
Area	Appr ID:	Prop Type:	Trend used?: Y / N																				
40	JLAV	Improvement	N																				
SAMPLE STATISTICS																							
Sample size (n)	28	<div><div>Ratio Frequency</div><table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.7</td><td>1</td></tr><tr><td>0.8</td><td>1</td></tr><tr><td>0.9</td><td>3</td></tr><tr><td>1.0</td><td>11</td></tr><tr><td>1.1</td><td>9</td></tr><tr><td>1.2</td><td>2</td></tr><tr><td>1.3</td><td>1</td></tr><tr><td>1.4</td><td>0</td></tr><tr><td>1.5</td><td>0</td></tr></tbody></table></div>		Ratio	Frequency	0.7	1	0.8	1	0.9	3	1.0	11	1.1	9	1.2	2	1.3	1	1.4	0	1.5	0
Ratio	Frequency																						
0.7	1																						
0.8	1																						
0.9	3																						
1.0	11																						
1.1	9																						
1.2	2																						
1.3	1																						
1.4	0																						
1.5	0																						
Mean Assessed Value	648,100																						
Mean Sales Price	650,100																						
Standard Deviation AV	613,918																						
Standard Deviation SP	592,402																						
ASSESSMENT LEVEL																							
Arithmetic mean ratio	0.978																						
Median Ratio	0.982																						
Weighted Mean Ratio	0.997																						
UNIFORMITY																							
Lowest ratio	0.6223																						
Highest ratio:	1.2727																						
Coeffient of Dispersion	9.13%																						
Standard Deviation	0.1255																						
Coefficient of Variation	12.83%																						
Price-related Differential	0.98																						
RELIABILITY																							
95% Confidence: Median																							
Lower limit	0.929																						
Upper limit	1.056																						
95% Confidence: Mean																							
Lower limit	0.931																						
Upper limit	1.024																						
SAMPLE SIZE EVALUATION																							
N (population size)	793																						
B (acceptable error - in decimal)	0.05																						
S (estimated from this sample)	0.1255																						
Recommended minimum:	24																						
Actual sample size:	28																						
Conclusion:	OK																						
NORMALITY																							
Binomial Test																							
# ratios below mean:	13																						
# ratios above mean:	15																						
z:	0.188982237																						
Conclusion:	Normal*																						
*i.e., no evidence of non-normality																							

2002 Ratio

Quadrant/Crew:	Lien Date:	Date:	Sales Dates:												
Central Crew	1/1/2002	4/17/2002	2/19/99 - 2-27-01												
Area	Appr ID:	Prop Type:	Trend used?: Y / N												
40	JLAV	Improvement	N												
SAMPLE STATISTICS															
Sample size (n)	28	<div><div>Ratio Frequency</div><table><thead><tr><th>Ratio</th><th>Frequency</th></tr></thead><tbody><tr><td>0.9-1.0</td><td>5</td></tr><tr><td>1.0-1.1</td><td>11</td></tr><tr><td>1.1-1.2</td><td>9</td></tr><tr><td>1.2-1.3</td><td>2</td></tr><tr><td>1.3-1.4</td><td>1</td></tr></tbody></table></div>		Ratio	Frequency	0.9-1.0	5	1.0-1.1	11	1.1-1.2	9	1.2-1.3	2	1.3-1.4	1
Ratio	Frequency														
0.9-1.0	5														
1.0-1.1	11														
1.1-1.2	9														
1.2-1.3	2														
1.3-1.4	1														
Mean Assessed Value	651,400														
Mean Sales Price	650,100														
Standard Deviation AV	611,428														
Standard Deviation SP	592,402														
ASSESSMENT LEVEL															
Arithmetic mean ratio	0.992	<div><div>Axis Title</div><div>These figures reflect improvement assessment ratios against current sales in area 40 after completion of 2002 improvement valuation. v.....</div></div>													
Median Ratio	0.982														
Weighted Mean Ratio	1.002														
UNIFORMITY															
Lowest ratio	0.8420														
Highest ratio:	1.2727														
Coefficient of Dispersion	7.61%														
Standard Deviation	0.0965														
Coefficient of Variation	9.73%														
Price-related Differential	0.99														
RELIABILITY															
95% Confidence: Median															
Lower limit	0.938														
Upper limit	1.056														
95% Confidence: Mean															
Lower limit	0.956														
Upper limit	1.028														
SAMPLE SIZE EVALUATION															
N (population size)	786														
B (acceptable error - in decimal)	0.05														
S (estimated from this sample)	0.0965														
Recommended minimum:	15														
Actual sample size:	28														
Conclusion:	OK														
NORMALITY															
Binomial Test															
# ratios below mean:	15														
# ratios above mean:	13														
z:	0.188982237														
Conclusion:	Normal*														
*i.e., no evidence of non-normality															

Improvement Sales Used

Area	Nbhd	Major	Minor	Total NRA	E #	Sale Price	Sale Date	SP / NRA	Property Name	Zone	Par. Ct.	Ver. Code	Remarks
040	010	332000	0370	1,620	1676293	\$1,045,500	03/31/99	\$645.37	AUTO REPAIR	C165'	2	2	INCLUDES 332000-0370
040	010	713280	0106	15,133	1687676	\$1,170,000	05/25/99	\$77.31	JACK OGLE & CO	IC65'	1	2	
040	010	713380	0100	6,900	1704045	\$575,000	08/13/99	\$83.33	OFFICE	IC65'	2	2	INCLUDES 713380-0100
040	010	713430	0225	10,049	1741489	\$1,400,000	03/10/00	\$139.32	SINGLE TENANT INDUSTRIAL BLDG	IC65'	4	2	INCLUDES 713430-0230,0235,0245
040	010	817010	0015	5,200	1700329	\$1,000,000	07/27/99	\$192.31	PARKING	NC365'	3	2	INCLUDES 817010-0020, 0100
040	040	170840	0330	13,790	1765313	\$1,140,000	07/12/00	\$82.67	SEATTLE SUPER MARKET	NC240'	1	2	
040	040	367740	0190	1,102	1736657	\$301,000	02/15/00	\$273.14	PAL'S PLACE	NC240'	1	2	
040	040	367740	0205	2,184	1669005	\$234,500	02/19/99	\$107.37	JANE'S MART	NC240'	1	2	
040	040	367940	0890	3,531	1724662	\$270,000	11/30/99	\$76.47	APT	NC140'	1	2	
040	040	754830	0545	33,332	1694624	\$1,900,000	06/25/99	\$57.00	TERRACE VIEW	L1	1	2	
040	040	792510	0510	4,820	1672142	\$215,000	03/11/99	\$44.61	DUPLEX AND STORAGE BLDG	L2	1	2	
040	050	000360	0029	1,670	1719992	\$190,000	10/28/99	\$113.77	COSMETIQUE	NC140'	1	2	
040	050	000360	0043	1,752	1714069	\$415,000	09/27/99	\$236.87	COFFEE SHOP	C265'	1	2	
040	050	159460	0050	1,552	1793013	\$500,000	12/20/00	\$0.00	WAREHOUSE	C165'	1	2	
040	050	754830	0985	583	1861354	\$210,000	01/02/02	\$360.21	TERIYAKI HOUSE	C165'	1	2	EXCEEDED LIEN DATE
040	060	128230	0825	2,673	1711825	\$367,000	09/20/99	\$137.30	EMERALD CITY FOOD STORE	NC365'	1	2	
040	060	162404	9147	8,040	1683580	\$880,000	04/30/99	\$109.45	RETAIL BLDG	NC140'	1	2	
040	060	170290	0680	9,360	1739160	\$500,000	02/17/00	\$53.42	LODGE	NC340'	1	2	
040	060	170290	1070	2,636	1730806	\$150,000	01/03/00	\$56.90	RAINIER OFFICE SUPPLY CO.	NC340'	1	2	
040	060	170490	0405	2,805	1766151	\$263,000	07/12/00	\$93.76	HART RADIO/TV & VIDEO STORE	NC365'	1	2	
040	060	234130	0595	2,496	1735435	\$205,000	02/02/00	\$82.13	MIXED USE RES/RETAIL	CI-40	1	2	
040	060	333050	0260	448	1803865	\$98,000	02/27/01	\$218.75	TOP NAILS	NC365'	1	2	
040	060	333050	0455	2,457	1771796	\$260,000	08/21/00	\$105.82	SEWING CONTRACTOR	NC240'	1	2	
040	060	333050	1805	8,170	1709709	\$470,000	09/08/99	\$57.53	RAINIER FOODS	NC240'	1	2	
040	060	392990	0010	23,250	1671742	\$2,300,000	03/09/99	\$98.92	OFFICE	NC365'	2	2	INCLUDES 392990-0020
040	060	564960	0062	1,792	1731264	\$165,000	01/04/00	\$92.08	ROYAL ESQUIRE CLUB	C265'	1	2	
040	060	787940	0100	2,159	1756933	\$305,000	05/26/00	\$141.27	HOCK'S GARAGE	C265'	1	2	
040	060	795030	1645	2,280	1746140	\$185,000	03/29/00	\$81.14	OFFICE & APT	NC340'	1	2	
040	060	811610	0015	20,250	1736203	\$1,700,000	02/14/00	\$83.95	COPELAND LUMBER	C165'	1	2	